

SS SB 866 -- TRADITIONAL INSTALLMENT LOAN LENDERS

SPONSOR: Wasson (Dugger)

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Financial Institutions by a vote of 14 to 1.

This bill defines the term "traditional installment loan" as fixed rate, fully amortized, closed-end extensions of direct consumer loans and, with the exception of Kansas City, preempts certain local government actions that would affect lenders who only make such loans who operate under a consumer installment loan license or a consumer credit loan license such as charging interests and fees allowable under current state law, creating disincentives for doing so, and operating in any location where any lender who makes loans payable in equal installments over 90 days is permitted.

PROPONENTS: Supporters say that the bill will allow traditional installment loan lenders to be regulated as their own entity and not lumped in with payday and other small loan entities.

Testifying for the bill were Senator Wasson; Mark Ellinger and Kelvin Simmons, Stand Up Missouri; Missouri Financial Services Association; and Missouri Finance Institute.

OPPONENTS: There was no opposition voiced to the committee.